

***TESTIMONY PRESENTED TO THE GOVERNMENT ADMINISTRATION AND  
ELECTIONS COMMITTEE  
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Testimony Supporting

H. B. No. 6376

AN ACT CONCERNING THE COLLECTION OF DEBTS OWED TO THE STATE

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Senator Slossberg, Representative Spallone and distinguished members of the GAE committee, I am Robert Genuario, Secretary of the Office of Policy and Management and I appreciate the opportunity to offer testimony in support of House Bill 6376, An Act Concerning The Collection of Debts Owed to the State.

We also seek your support for HB 6376, which is a revenue-generating concept that provides a more efficient and effective way to collect unpaid state debts. The bill tracks existing practice by allowing each state agency a reasonable time to collect its own debts using standard demand letters. However, if these initial efforts at collection fail, the bill requires the agencies to input information about the debts into a centralized database that will not only enable us to identify the full value of all debts owed to the state, but will also greatly improve collection efforts.

First, HB 6376 facilitates state debt collection by expanding upon a successful program that is already in effect to collect unpaid child support and certain state agency debt. Currently, the Department of Administrative Services bundles electronic files received from other agencies that contain information about unpaid child support, unemployment compensation overpayments, and other agency debts. These files are formatted and sent to the Department of Revenue Services, which intercepts any state income tax refunds owed to the individual debtors. This State Tax Intercept process (authorized pursuant to § 12-742) yielded over \$8.2 million in unpaid child support payments and state debt recovery last fiscal year. HB 6376 seeks to expand on this successful program

and increase collections by requiring all unpaid state agency debt to go through the State Tax Intercept process.

HB 6376 also facilitates collections by requiring that individuals who owe money to the state satisfy their debts before the state grants them any permit, license or other state-issued registration. Now is the time for the state to get smarter and tougher about collecting the unpaid fees, fines and other debts owed to our state agencies, and HB 6376 establishes a practical and workable mechanism to accomplish those goals.